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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AG	REEMENT is made t	his <u>//</u>	day of	Time	, 2008, by and between
Pablita	M. 6-916	9 900	d Curt	is Parker	
hereinahove named as	Y SERVICES, L.L.C Lessee, but all other ion of a cash bonus	r provisions (includ s in hand paid an	nue, Sulte 1870 Dalla	s Texas 75201, as Lesse	e. All printed portions of this lease were prepared by the party d jointly by Lessor and Lessee.  y grants, leases and lets exclusively to Lessee the following
OUT OF THE	ES OF LAND, MO LATICAL LETTER 63	ORE OR LESS Defit , PAGE	S, BEING LOT(S) , TARRANT COU	NTY, TEXAS, ACCO OF THE PLAT REC	, BLOCK/ ADDITION, AN ADDITION TO THE CITY OF RDING TO THAT CERTAIN PLAT RECORDED CORDS OF TARRANT COUNTY, TEXAS.
reversion, prescription substances produced commercial gases, as land now or hereafter Lessor agrees to exec	or otherwise), for the in association there well as hydrocarbon owned by Lessor whate at Lessee's reque	ne purpose of expending good and the control of the contiguous and additional of the control of the	oloring for, developing, eophysical/seismic ope on to the above-descrit s or adjacent to the ab or supplemental instrur	producing and marketing erations). The term "gas" sed leased premises, this leased premises that the cove-described leased preminents for a more complete or	ing any interests therein which Lessor may hereafter acquire by oil and gas, along with all hydrocarbon and non hydrocarbon if as used herein includes helium, carbon dioxide and other ease also covers accretions and any small strips or parcels of hises, and, in consideration of the aforementioned cash bonus, or accurate description of the land so covered. For the purpose is deemed correct, whether actually more or less.
as long thereafter as o	il or gas or other sub	stances covered h	nereby are produced in	for a primary term of $\underline{f\mathcal{D}}$ paying quantities from the	leased premises or from lands pooled therewith or this lease is
separated at Lessee's Lessor at the wellhead the wellhead market prevailing price) for production, severance Lessee shall have the no such price then pre the same or nearest proceed with the production on the leas are waiting on hydraul be deemed to be producted to the production of the production o	oil, gas and other suseparator facilities, to to Lessor's credit indice then prevailing production of similar and continuing right to purvailing in the same freeding date as the rededing date as the rededing the continuing right to purvailing in the same freeding date as the rededing in paying quary g sold by Lessee, the depository designates are shut-in or producte from another well	the same sproduce the royalty shall be at the oil purchas in the same field grade and graw; 25 %) of the same the costs in the same the	d and saved hereunde e <u>Wenter</u> !  Ber's transportation factor (or if there is no such the proceeds realized neutred by Lessee in duction at the prevailing earest field in which the see commences its pure are capable of either wells are either shut-in ose of maintaining this way shut-in royalty of ore the end of said 90 not being sold by Less ased premises or land:	lities, provided that Lessee price then prevailing in the ing casing head gas) and by Lessee from the sale elivering, processing or oth wellhead market price paidere is such a prevailing pricurchases hereunder; and (corroducing oil or gas or othe or production there from is lease. If for a period of 90 he dollar per acre then could day period and thereafte ee; provided that if this lease pooled therewith, no shut	to Lessor as follows: (a) For oil and other liquid hydrocarbons _%) of such production, to be delivered at Lessee's option to shall have the continuing right to purchase such production at same field, then in the nearest field in which there is such a diall other substances covered hereby, the royalty shall be thereof, less a proportionate part of ad valorem taxes and terwise marketing such gas or other substances, provided that different for production of similar quality in the same field (or if there is the pursuant to comparable purchase contracts entered into on a substances covered hereby in paying quantities or such wells not being sold by Lessee, such well or wells shall nevertheless of consecutive days such well or wells are shut-in or production for or before each anniversary of the end of said 90-day period se is otherwise being maintained by operations, or if production-in royalty shall be due until the end of the 90-day period next der Lessee liable for the amount due, but shall not operate to
4. All shut-in roy be Lessor's depository draft and such paymer address known to Les payment hereunder, Lesseepayment hereunder, Lesseepayment to the provision evertheless remain in on the leased premises the end of the primary operations reasonably no cessation of more there is production in Lessee shall drill such to (a) develop the leal leased premises from additional wells excepes. Lessee shall depths or zones, and proper to do so in order unit formed by such phorizontal completion completion to conform of the foregoing, the typescribed, "oil well" in feet or more per bance quipment; and the tequipment; and the tequipment; and the tecomponent thereof. In Production, drilling or reworking operations onet acreage covered Lessee. Pooling in or unit formed hereunded prescribed or permises is incleased premises in the premise in the premise provided premises in the premise provi	agent for receiving pats or tenders to Les see shall constitute pessor shall, at Lesse ovided for in Paragra oled therewith, or if is sions of Paragraph in force if Lessee comes or lands pooled they term, or at any time calculated to obtain than 90 consecutive paying quantities from additional wells on the sed premises as to funcompensated drait as expressly provide that the set of the property of the set of the property of the set of t	payments regardle sor or to the depo sor or to the depo parper payment. It is request, delivered in 3 above, if Let all production (who is or the action of imences operation enterewith within 90 de thereafter, this to restore product days, and if any implements of the context of the obligation to the action of the obligation to the obligation of density pattern gas well" shall havnitial gas-oil ratio or density pattern gas well" shall havnitial gas-oil ratio or production freens an and rights hereund s anywhere on a es, except that the luded in the unit the shall not exhaust intraction or both, tall authority having free or a written from the unit by the production in pay the production in pay the strength of the context of the	ess of changes in the or sitory by deposit in the fithe depository should in to Lessee a proper resee drills a well which ether or not in paying from governmental author of the completion of the session therefrom, this lease is not otherwise ion therefrom, this lease is or lands pooled there apable of producing in or wells located on otherwise in the production and interest in the production of the meanings prescribere the in which the hold in which the hold in which the hold in which includes all a production on which bears to the total gross. Lessee's pooling right either before or after g jurisdiction, or to cordectaration describing virtue of such revision, ring quantities from a u	vnership of said land. All parts of Said land. All parts of Said land. All parts of Said land and said land all parts of Said land and said land said	in at lessor's address above or its successors, which shall syments or tenders may be made in currency, or by check or by velope addressed to the depository or to the Lessor at the last by another institution, or for any reason fail or refuse to accept or another institution as depository agent to receive payments. In paying quantities (hereinafter called 'dry hole') on the leased cases from any cause, including a revision of unit boundaries this lease is not otherwise being maintained in force it shall diditional well or for otherwise obtaining or restoring production le or within 90 days after such cessation of all production. If at but Lessee is then engaged in drilling, reworking or any other ong as any one or more of such operations are prosecuted with gas or other substances covered hereby, as long thereafter as of a well capable of producing in paying quantities hereunder, into operator would drill under the same or similar circumstances ased premises or lands pooled therewith, or (b) to protect the th. There shall be no covenant to drill exploratory wells or any terest therein with any other lands or interests, as to any or all ement of production, whenever Lessee deems it necessary or thority exists with respect to such other lands or interests. The a maximum acreage tolerance of 10%, and for a gas well or a arger unit may be formed for an oil well or gas well or horizontal numental authority having jurisdiction to do so. For the purpose he appropriate governmental authority, or, if no definition is so swell' means a well with an initial gas-oil ratio of 100,000 cubic using standard lease separator facilities or equivalent testing he gross completion interval in facilities or equivalent testing promises shall be treated as if it were production, drilling or describing the unit and stating the effective date of pooling, premises shall be treated as if it were production which the only to the extent such proportion of unit production which the only to the extent such proportion of unit production which t

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises
- The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- In accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall appty (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in which Lessor has been premised by Lessor in the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether ex
- production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

  Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee.
- 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable
- time after said judicial determination to remedy the breach or default and Lessee fails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) **ACKNOWLEDGMENT** STATE OF COUNTY OF This instrument was acknowledged before me on the 2008, KAREN MIMS Public, State of Notary Public STATE OF TEXAS (printed) My Comm. Exp. Dec. 12, 20 Notes commission expires STATE OF COUNTY OF TOUNONE This instrument was acknowledged before me on the 2008. day of MO Public, State of KAREN MIMS Notary Public Notary's name (printed): Notary's commission expires:

STATE OF TEXAS My Comm. Exp. Dec. 12, 2011



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00

Filed For Registration: 06/27/2008 09:17 AM Instrument #: D208247951
LSE 3 PGS

D208247951

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